

# **RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION**

**OCTOBER 2, 2008**

## **PUBLIC SESSION**

**A meeting of the Board of Directors of the Rhode Island Industrial Facilities Corporation (“RIIFC”) was held in public session at the offices of the Rhode Island Economic Development Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island on Thursday, October 2, 2008 beginning at approximately 9:00 a.m. pursuant to a Notice and Agenda duly posted and sent to all members.**

**Members present and attending the meeting were: Mr. Edward Rendine,**

**Mr. David Piacitelli and Mr. Ronald Renaud. Mr. William Parsons was not present. Also present and attending were Mr. Earl F. Queenan, Jr., Treasurer of RIIFC,**

**Mr. Anthony Scolavino, Secretary of RIIFC, Ms. Alicia Pomfret, Assistant Secretary of RIIFC, Mr. Michael Saul, Deputy for RIEDC, Ms. Claudine Tikoian, Loan Portfolio Manager of RIIFC and Antonio Afonso, Jr., Esquire, Counsel to RIIFC. Mr. Edward Rendine, Chairman, called the meeting to order.**

## **ACCEPTANCE OF THE MINUTES OF SEPTEMBER 4, 2008**

**The first item to come before the Board was consideration of adoption of the Public Session minutes and Executive Session**

minutes of the Board of Directors held on September 4, 2008. A motion was made by Mr. Piacitelli to adopt the minutes for the Public and Executive Session of the September 4, 2008 meeting as presented, which motion was seconded by Mr. Renaud. Following the motion and second, the motion to accept the minutes was adopted as follows: Mr. Piacitelli – yes, Mr. Renaud – yes and Mr. Rendine – yes.

Mr. Renaud then made a motion to maintain as confidential the Executive Session minutes of September 4, 2008, which motion was seconded by Mr. Piacitelli. There being no discussion on the motion, the motion was adopted as follows: Mr. Piacitelli – yes, Mr. Renaud – yes and Mr. Rendine – yes.

#### **DRAFT AUDITED FINANCIAL STATEMENTS FOR JUNE 30, 2008**

Mr. Queenan proceeded to present a draft of the audited Financial Statements for RIIFC for the years ended June 30, 2008 and 2007. A discussion ensued among the Chairperson and other board members relative to the allocation of salaries and administrative expenses to RIIFC. Mr. Queenan explained that 50% of each of the total salaries of the Treasurer and the Assistant Secretary as well as 50% of the fringe benefits for each has been allocated to the RIIFC budget for fiscal year 2009 resulting in an administrative allocation of \$82,392. Mr. Saul further supplemented the underlying rationale for the Board with respect to the administrative expense allocations. Mr. Queenan proceeded to review the balance sheet and profit and loss statements with Board members and fielded questions concerning insurance consultant costs and other matters related to the profit and loss

statements. Following the foregoing upon motion duly made by Mr. Renaud and seconded by Mr. Piaciatielli, the Board adopted a resolution to accept the draft audit report in the form presented as follows: Mr. Renaud – yes, Mr. Rendine – yes and Mr. Piacitelli – yes.

#### **BUDGET**

Mr. Queenan reviewed the budget as sent to the Board members in the package for the meeting. There being no further discussion on the budget, a motion was made to accept the budget as presented by Mr. Renaud which motion was seconded by

Mr. Piacitelli and was adopted as follows: Mr. Rendine – yes, Mr. Piacitelli – yes and Mr. Renaud – yes.

#### **REVOCATION OF RESOLUTIONS FOR THE BENEFIT OF SHIPWRECK FALLS RESORT/RHODE ISLAND L.P., LLC**

The Board was presented with a form of resolution revoking prior resolutions previously adopted by RIIFC's Board for the benefit of Shipwreck Falls Resort/Rhode Island, L.P., LLC ("Shipwreck"). Discussion ensued among the Board members as to the current status of the Shipwreck project. Mr. Afonso, as counsel to RIIFC, reported that various press reports detailed the proposed issuance of a tax incremental financing bond by the Town of West Warwick for the benefit of Shipwreck Falls. In view of the press reports, Shipwreck Falls' counsel had been contacted to determine whether or not there was an intention to proceed through RIIFC. There being no response, it appeared that the Shipwreck Falls project would not be proceeding through RIIFC but rather through West Warwick.

**Following the foregoing discussion, upon motion made by Mr. Renaud and seconded by Mr. Piacitelli, the form of motion attached hereto and included herewith as Exhibit A was unanimously adopted by the Board as follows: Mr. Piacitelli – yes, Mr. Renaud – yes and Mr. Rendine – yes.**

#### **ADJOURNMENT**

**There being no other business to come before the Board, Mr. Renaud made a motion, which motion was duly seconded by Mr. Piacitelli, to adjourn the meeting, which motion was adopted as follows: Mr. Piacitelli – yes, Mr. Renaud – yes and Mr. Rendine – yes.**

#### **Exhibit A**

#### **REVOCATION OF INDUCEMENT RESOLUTION OF THE RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION RELATING TO PROPOSED COMMERCIAL FACILITIES FOR SHIPWRECK FALLS RESORT/RHODE ISLAND, L.P., LLC**

**WHEREAS, the Rhode Industrial Facilities Corporation (the “Issuer”) adopted an Inducement Resolution for the benefit of Shipwreck Falls Resort/Rhode Island, L.P., LLC (“Obligor”) at its board meeting on June 7, 2007 and amended said Resolution at its board meeting on May 22, 2008 (the foregoing Resolution as thereby amended being hereinafter referred to as the “Resolution”);**

**WHEREAS, the Issuer adopted a resolution for the benefit of Obligor on June 7, 2007 recommending a sales tax exemption for Obligor (the “Sales Tax Resolution”);**

**WHEREAS, the Issuer has been made aware through recent press reports of the intention of Obligor to proceed directly through the Town of West Warwick, Rhode Island for the issuance of a tax incremental financing bond rather than the issuance of such a bond through the Issuer;**

**WHEREAS, the Issuer’s understanding of the press reports referenced above has been communicated to counsel for the Obligor by correspondence dated August 12, 2008 indicating the Issuer’s understanding of the effective withdrawal of the Obligor’s Application for Bond Financing from Issuer;**

**WHEREAS, there has been no communication by the Obligor to the Issuer or its counsel contradicting the Issuer’s understanding of the Application being withdrawn as set forth in the August 12, 2008 correspondence;**

**WHEREAS, in the August 12, 2008 correspondence, Issuer indicated to Obligor its intention to revoke the Inducement Resolution previously adopted for the benefit of Obligor;**

**NOW, THEREFORE BE IT RESOLVED, that the Inducement Resolution of the Issuer relating to proposed commercial facilities for Shipwreck Falls Resort/Rhode Island, L.P., LLC previously adopted on June 7, 2007 as amended by a resolution of the Issuer dated May 22, 2008, and the Sales Tax Resolution adopted on June 7, 2007, each be and each hereby is revoked and of no further force and effect.**

**Adopted: October 2, 2008**

#### **SECRETARY'S CERTIFICATE**

**I, Anthony Scolavino, Secretary of the Rhode Island Industrial Facilities Corporation hereby certify that attached hereto is a true and accurate copy of Minutes of the Meeting of the Board of Directors of the Rhode Island Industrial Facilities Corporation held on October 2, 2008. These Minutes were approved by the Board of Directors at the meeting held on October 30, 2008.**

---

**Anthony Scolavino, Secretary**